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Ashton-Tate Set to Adopt Corporate Pricing Plan

By Elizabeth Ranney
InfoWorld Staff

LOS ANGELES — Ashton-Tate president and chief executive officer Edward M. Eber said last week the company will adopt corporate pricing policies for software, support, and maintenance but won't relent on its firm stand against site licensing.

At the company's annual stockholders meeting here, Eber also detailed a number of plans to diversify Ashton-Tate's product line, including the acquisition of graphics software publisher Decisions Resources Inc. He also said the company would extend its offerings to include minicomputer and mainframe-based products as well as products for the Macintosh.

Eber declined to provide many details of either the corporate pricing policies or the company's plans to provide products for larger scale machines. But he hinted strongly that the company would, as analysts believe, begin to levy separate charges for product support. "Inevitably, we are going to charge for things that used to be free," he said. "We intend to pioneer the best way to do that."

Eber was emphatic, however, that the plans would not include site licensing. "We are steadfastly against site licensing and



Ashton-Tate's Edward M. Eber (right) and Decisions Resources Inc.'s Sean O'Connor announced the acquisition of the latter company by Ashton-Tate.

maintain our position that site licensing is economic suicide," Eber said. "However, we are sensitive to our customers' needs and intend to announce some system of corporate pricing."

Analysts and members of Ashton-Tate's Dealer Advisory Board said the corporate pricing program would likely be a volume discount arrangement similar to that expected to be announced later this month by Lotus Development Corp. of Cambridge, Massachusetts. (See page 8.)

Eber said the company's entry into the minicomputer and mainframe software markets would be spearheaded by its new Systems, Services, and Information division. Ashton-Tate will offer products and

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IBM Cuts Prices on PCs Sold Directly to Users

By Steven Burke
InfoWorld Staff

ARMONK, NY — IBM Corp. last week confirmed that it has cut the single-unit price of the IBM PC for customers buying directly from IBM, a move aimed at competing against the low-cost clones.

A 256K version with two floppy disk drives was cut 20 percent, from \$1,995 to \$1,595, said IBM spokesman Cary Ziter. A 256K version with one floppy disk drive was cut 22 percent, from \$1,845 to \$1,445; and a 64K system unit and keyboard was cut 16 percent, from \$1,390 to \$1,165, he said.

The IBM PC XT and AT were not affected, Ziter said.

Retailers said that the price cuts bring IBM's direct prices in line with recent dealer price cuts.

The price cuts indicate that IBM is clearing out inventory, according to Jan Lewis, president of Palo Alto Research Group, a market research firm in Palo Alto, California. Lewis believes IBM has stopped manufacturing the PC and that IBM is making a very small profit on it.

In a separate move against the clones, IBM last week announced a credit card program targeted at small businesses.

The credit card, called the Business Account Card, will allow small businesses to finance PCs bought from IBM dealers through monthly payments. Retailers said the program should increase sales to small businesses.

"If you have to buy a clone cash-on-the-barrel vs. an IBM, which is a much better brand name with credit terms, which would you prefer if you were a small-business man?" asked Carlos Frum, president of Northbrook Computers, an IBM dealer in Northbrook, Illinois.

IBM declined comment on the program.

IBM Seeking Patents to Fight PC AT Clones

By Edward Warner
InfoWorld Staff

ARMONK, NY — Taking its battle against clones to the legal arena, IBM Corp. is seeking patents for the design of the PC AT's keyboard and case.

IBM has applied for a patent in about 18 nations — including the United States — on the design of the AT keyboard, according to IBM spokesman J. Lyle McGuire. The patents, if granted, would prohibit other manufacturers from making products that "are substantially identical" to the AT keyboard, McGuire said, but would have no effect on keyboards that simply perform the same functions.

McGuire did not say whether a key-

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Sun Microsystems Unveils An Array of Workstations

By Priscilla M. Chabal
InfoWorld Staff

MOUNTAIN VIEW, CA — Sun Microsystems Inc. last week introduced a series of aggressively priced workstations that will compete on the high end with Digital Equipment Corp. (DEC) and on the low end with Apollo Computer Inc.

In addition, the company unveiled new operating system software and cut prices on its mid-range product line.

Sun's high-end workstations and servers, the Sun-3/200 series, are based on the Motorola 68020 microprocessor operating at 25 MHz. The product line is available in versions to serve as independent workstations, as diskless nodes on a network, or

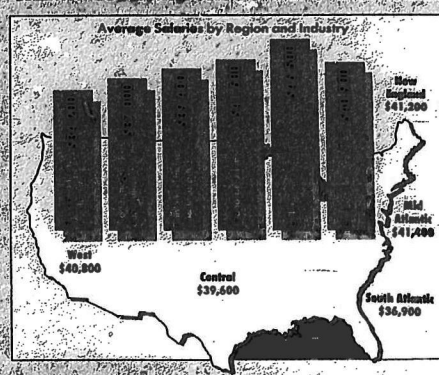
as network file servers able to accommodate as many as 48 terminals. The base price of the line is \$33,900.

The company said the Sun-3/200 line can perform as many as 4 million instructions per second (MIPS) and claimed it introduces to the workstation market a level of operation previously found only on superminicomputers such as DEC's VAX 8600. The machines also feature double the graphics resolution of previous Sun machines.

At the other end of the product spectrum, Sun unveiled its first low-end color workstation, the Sun-3/110. Based on the same 68020 microprocessor running at a slower 16.67 MHz, the standard Sun-3/

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SALARY COMPARISONS FOR INFO MANAGERS



Salaries for data center managers throughout the United States vary as to industry and region, but the primary determining factors are education and sex, with women managers earning on average \$7,000 less per year than men. See story on page 6.

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IBM PC Price Cuts Seen As Aid to VPA Revival

By Edward Warner
InfoWorld Staff

NEW YORK — IBM Corp.'s price cuts on the PCs it sells directly to users are intended to revive not just sales but also the volume purchase agreement plan, according to analysts.

The volume purchase agreement (VPA), IBM's contract for large-quantity purchases, is reportedly tied to IBM's direct-sale price reduction for the PC. The agreement gives a customer a large discount in return for buying certain IBM products, such as PCs, in a specified volume over a given time.

But corporate customers have been ignoring the VPA discounts in favor of greater discounts — and service — available from retailers.

Touche Ross, a Big Eight accounting firm in New York, has never had a VPA with IBM and has purchased all of its 2,500 to 3,000 personal computers from a dealer, according to Ronald Jenks, director of information services. "From the dealer, we don't have to make a volume commitment," said Jenks. Dealers give the same discount for several different products and brands of personal computers and also completely configure and pretest any

equipment before delivery, he said.

In recognition of the corporate customers' shift to buying from dealers, IBM earlier this summer announced that it would permit purchases made from dealers to fulfill the quantity requirements of a VPA.

"People aren't going with it [the VPA]. They're getting better service from dealers," said John McCarthy of Forrester Research Inc., in Cambridge, Massachusetts. The companies that buy directly from IBM usually end up doing their own configuration and assembly of personal computers, he noted.

An IBM spokesman declined to discuss specifics about its VPA program.

Patents

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board's AT-style layout could cause it to violate an IBM patent. Violations will be determined on a case-by-case basis if the patent is granted, he said. Several firms, including Key Tronic of Spokane, Washington, and Datadesk International of Van Nuys, California, sell AT-style keyboards.

A U.S. patent for the AT's case, or "cabinet" as IBM prefers to call it, could come in the next several months. McGuire said IBM requested the patent on the AT cabinet in mid-1984 and that the keyboard patent "had to have been filed a while back." It usually takes about 22 months to receive a patent, according to a U.S. Patent Office spokesman.

IBM has already won patents on the AT cabinet in 12 nations, including the United Kingdom, West Germany, Canada, and South Korea. A patent infringement suit on the AT cabinet is already underway in the United Kingdom against Quibie Ltd., a British clone maker.

On other legal fronts, IBM is also regularly testing both PC and PC AT clones for infringement of IBM's copyright on the basic input-output system (BIOS) software for its machines. In June, IBM settled a dispute with 19 Taiwanese manufacturers who were accused of producing products that copied the IBM BIOS, in violation of IBM's Taiwanese copyright on the software.

Taiwan, which has also granted a patent for the AT's cabinet, was the site this summer of a police raid against a number of Taiwanese vendors who were making look-alike AT cabinets for AT clone vendors worldwide.

IBM's focus on Taiwan and other Asian nations indicates that the company is focusing its attack on the sources of the clones and their components, rather than the U.S. vendors of the machines, said

Stephen Dukker, president of Thompson, Harriman and Edwards Computer Products Co. Ltd. of Chicago, which sells AT compatibles.

In the United States, IBM has not sued a clone maker since it took on Eagle Computer Inc. of Los Gatos, California, and Corona Data Systems of Westlake Village, California, in a dispute over the two vendors' BIOSs in early 1984, McGuire said. McGuire said that IBM tries to avoid lawsuits when it encounters infringements of its copyrights or patents, preferring instead to send a letter requesting changes.

Letters from IBM regarding patents and copyrights are usually taken seriously. Earlier this year, IBM sent letters to U.S. vendors of AT clones, warning them that it had applied for a trademark on the name "AT" and urging them to drop their use of those letters in their products. Televideo Systems Inc. of Sunnyvale, California, changed the name of its AT Model 1 to Tele-286 shortly after receiving the letter but denies that the change came in response to IBM's warning.

Alphanumeric International Inc. of Santa Fe Springs, California, changed the name of its AT clone from ANI AT to the 8-T because of the IBM letter. "I chose not to argue with them," said president Sarv Singh.

Regarding the pending patent on the AT cabinet, however, potential U.S. violators have gotten little warning. IBM has not sent out a letter to announce the patent request or placed the words "patent pending" on the AT's case, said McGuire.

Plan

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services for minicomputers within the next 12 months, he said, and announce mainframe products within a year of that.

On the microcomputer front, the company expanded into the graphics arena by signing a letter of intent to acquire the Westport, Connecticut-based Decisions Resources. The company developed business graphics software, including Chart Master, Sign Master, Diagram Master, and Map

Master for the IBM PC and compatibles. Ashton-Tate will pay approximately \$13 million in cash for the 6-year-old company, Eber said.

Eber also reiterated the company's support for the Macintosh, saying there is room for a second standard in addition to the IBM PC.

"We intend to announce products over the next few months," Eber said. "The Macintosh Plus opens new opportunities, and there is a growing interest in the machine." But he would not give details of any Macintosh-based products from the firm.

Ashton-Tate Likely to Unveil Volume Discount Plan Soon

Although Ashton-Tate isn't saying what its corporate pricing strategy will be, industry observers said the company is likely to follow the lead of Lotus Development Corp., which is expected to announce a volume discount plan on August 13. Ashton-Tate will follow with its own version a few days later, said Paul Cabbage, senior industry analyst for Dataquest, a San Jose, California, market research firm.

The company has already invited reporters to a meeting on August 19 in which it will probably discuss details of the plan. Cabbage said he expects Ashton-Tate to unveil a plan then that will include a number of levels of pay-for support, similar to that offered by mainframe software publishers.

"They simply have to start charging for it [support] to be able to provide what's needed," Cabbage said. "I'm sure the free calls will always be there, but I'm not sure the line will ever answer any better than it has."

Dan Spiner, chief executive officer of Management Information Software, in New York, and a member of Ashton-Tate's Dealer Advisory Board, said he expects Ashton-Tate to announce a variety of ways for the company's

customers to pay for enhanced software support.

Further hints at Ashton-Tate's plans come from Eber himself. In a letter to reporters concerning the August 19 meeting, he said the question of service and support are at the forefront of industry concerns.

"For the past few years, the microcomputer software industry has been wrestling with a number of key issues in the service and support area," Eber wrote. "Items such as phone support, training, product upgrades, maintenance of software, and a number of others have been raised by both corporate customers and individual users."

"With the huge number of microcomputer software packages in use, we believe it is time for both software companies and users to place more emphasis on quality service and support." In a San Francisco speech in May, Eber said that corporations will pay dramatically more for support in the next year and that software publishers would seek to increase revenues by charging for support, training, and product updates. (See "Eber Expects Support Costs to Skyrocket," May 26, 1986.)

— Elizabeth Ranney and Scott Mace

Sun

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110 features 4 megabytes of memory — expandable to 12 megabytes — an Ethernet interface, two RS-423 ports, and a VME-bus interface. It is available with a 15-inch color or 19-inch color or gray-scale monitor and carries a base price of \$15,900.

Company officials said the machine, which has a performance level of 2 MIPS, would pit Sun in head-to-head competition with Apollo's DN 3000-C1, a color workstation Apollo said operates at 1.4 MIPS and sells for \$14,900.

"The Sun-3/110 completes the lower end of Sun's product line," said Bernard Lacroute, Sun's executive vice president. "It is the desktop price/performance leader, providing better capabilities for a lower cost than competing vendors."

On the software front, the company introduced a new version of the Sun Operating System. Sun-OS 3.2 is the first phase of a 1985 agreement between Sun and AT&T to converge into one operating system AT&T's Unix System V.2 and another version of Unix, Berkeley 4.2. That version, developed at the University of California, Berkeley, is the basis of Sun's current operating system structure. Sun said the effort was being made to keep from

forcing software developers to choose between the first version, favored by commercial users, and the Berkeley version, preferred by the technical community. The second phase of the Unix convergence is expected in late 1987 and will bring additional functionality.

Other functions of the new Sun-OS 3.2 system include Rex, a new network service for remote execution, and the Sun Net Lock Manager, which permits network file and record locking.

A major factor in Sun's emergence as a serious competitor in the workstation market is its commitment to an open-systems architecture, according to Scott McNeely, Sun's cofounder, chief executive officer, and president. "Open-systems computing is Sun's alternative to the proprietary solutions offered by DEC, IBM, and Apollo," he said.

At the same time Sun announced new products, the company realigned its mid-range workstation line, cutting prices from 10 percent to 18 percent for both workstations and desk-side servers. Revised prices for the workstations range from \$12,900 for the Sun-3/75M to \$30,900 for the Sun-3/160C. Desk-side servers are now available for \$17,900 or \$18,900 depending upon the particular configuration.

Sun did not announce any change in price for its \$7,900 monochrome entry-level workstation, the Sun-3/50M.



Sun Microsystems' high-end workstations and servers can work independently, as diskless nodes on a network, or as file servers accommodating up to 48 terminals.